JANUARY 29, 1997

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON JANUARY 29, 1997, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE BELOW-LISTED MINERAL, SURFACE, DEVELOPMENT, AND TRUST ACCOUNTING BUSINESS MATTERS AS INDICATED.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES M-1 TO M-2; SURFACE ACTIONS AS LISTED ON PAGES S-1 TO S-12; DEVELOPMENT ACTIONS AS LISTED ON PAGES D-1 TO D-2; AND TRUST ACCOUNTING ACTIONS AS LISTED ON PAGE A-1.

DAVID T. TERRY, BIRECTOR SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION

LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

ADMINISTRATION
Approve OT
Deny

January 29, 1997 Mineral Actions Page M-1

RELINQUISHMENT OF STATE OF UTAH OIL, GAS, AND HYDROCARBON LEASES ML 45673 AND ML 45984

Tokuichi Kano Estate, lessee, has submitted a letter of relinquishment of the above-numbered leases. These leases should be terminated and the relinquished lands then offered for lease by the Trust Lands Administration's simultaneous offering procedure.

Lease No.	Description	County/Acres
ML 45673	T19S, R19W, SLB&M. Sec. 32: All	Millard 640.00 acres
ML 45984	T25S, R14W, SLB&M. Sec. 32: S½	Millard 320.00 acres

Upon recommendation of Mr. Bonner, the Director approved the relinquishment of the above-numbered leases.

TRUST LANDS
ADMINISTRATION
Approve D.T.

REQUEST FOR APPROVAL OF THE LOCKHART CANYON UNIT

Legacy Energy Corporation, operator of the Lockhart Canyon Unit has submitted this unit for approval by the Trust Lands Administration. The Lockhart Canyon Unit is located in San Juan County, Utah. This unit contains 3,515.78 acres of which 2,235.78 acres or 64.00 percent are Federal lands and 1,280.00 acres or 36.00 percent are Trust lands. The unit agreement provides that the operator will within six months after the effective date of the unit, commence the drilling of a well to a depth sufficient to test the Cane Creek Formation, but not to exceed 5,400 feet. This agreement is on the standard unit agreement form and contains all necessary Trust lands provisions.

The following are the Trust lands leases in this unit.

ML 47221 Legacy Energy Corporation
ML 47414 Legacy Energy Corporation

These leases have been committed to the unit.

Upon recommendation of Mr. Bonner, the Director approved the Lockhart Canyon Unit as described above.

TRUST LANDS
ADMINISTRATION
Approve
Deny

January 29, 1997 Mineral Actions Page M-2

ACCEPTANCE OF BOND; CERTIFICATE OF DEPOSIT NO. 14159; ML 3092--VOLCANIC MATERIALS

Pearl Queen Perlite Corporation/Jay Gatten has submitted time Certificate of Deposit No. 14159, issued by Barnes Banking Company, in the amount of \$5,000, for small-mine operations conducted under Trust lands mineral lease ML 3092--Volcanic Materials. This certificate appears in order and should be accepted in-lieu of a surety bond. The original certificate should be placed in the Trust Lands Administration vault for safe keeping.

Upon recommendation of Mr. Blake, the Director accepted Certificate of Deposit No. 14159 as described above.

EASEMENTS

EASEMENT NO. 401 (APPROVAL)

Approve L DT

APPLICANT'S NAME AND ADDRESS: Cedar City Corporation 110 N. Main St.

Cedar City, Ut 84720

LEGAL DESCRIPTION:

Township 36 South, Range 11 West, SLB&M Section 32: N2NE4

80 ft wide road and utility right-of-way easement (60' street): Beginning at a point on the north line of Section 32, S 89°58'57" W 1463.55 ft from the NE corner of said Section 32, thence S 8°43'25" W 347.23 ft to a point of curve, thence around the arc of a curve to the right having a radius of 55.00 ft, a distance of 86.39 ft (the chord of said curve bears S 53°43'25" W 77.78 ft) thence N 81°16'35" W 324.12 ft to a point of curve, thence around the arc of a curve to the right having a radius of 300.00 ft a distance of 50.70 ft (the chord of said curve bears S 76°26'05" W 50.64 ft) thence N 71°35'34" W. 169.43 ft to a point of curve, thence around the arc of a curve to the left having a radius of 300.00 ft a distance of 85.73 ft (the chord of said curve bears N 79°46'47" W 85.44 ft) thence N 87°58'00" W. 99.56 ft to a point of curve, thence around the arc of a curve to the right having a radius of 300.00 ft a distance of 213.85 ft (the chord of said curve bears N 67°32'46" W 209.35 ft) thence N 47°07'31" W. 140.50 ft to a point of curve, thence around the arc of a curve to the left having a radius of 300.00 ft a distance of 103.23 ft (the chord of said curve bears S 56°59'00" W 102.72 ft) to the point of ending on the 1/4 section line which is S 0°17'11" E. 24.11 ft from the north 1/4 corner of said section 32. Containing 2.977 acres of land.

70 ft wide road and utility right-of-way easement (50' street): An easement 70 feet wide, 35 feet on each side of the following described centerline:

Beginning at a point on the north line of Section 32, T36S, R11W, SLB&M, which is situated N. $89^{\circ}58'57"$ E 160.65 ft from the north 1/4

corner of said section 32, thence S 42°52'29" W. 69.34 ft to the point of ending on the northerly line of an 80 ft wide road and utility right-of-way easement, said point is situated S. 62°47'21" E. 122.24 ft from the north 1/4 corner of said Section 32. Containing 0.111 acres of land.

40 ft wide sewer line easement:

An easement 40 feet wide, 20 feet on each side of the following described centerline:

Beginning at a point west 4.00 ft from the NE corner of section 32, T36S, R11W SLB&M, thence S. 0°02'33" E. 200.89 ft. Thence S. 63°56'24" W. 248.69 ft, thence S. 54°30'55" W. 275.81 ft, thence S 66°48'50" W. 359.66 ft, thence N 59°40'54" W. 257.59 ft, thence N 81°16'35" W. 506.98 ft to the point of ending on the east side of an 80 ft wide road and utility right-of-way easement, said point is situated S. 74°56'59" W. 1559.42 ft from the NE corner of said Section 32. Containing 0.0968 acres of land.

COUNTY: IRON ACRES: 4.96 FUND: SCHOOL

PROPOSED ACTION:

The applicant is requesting a 40 to 80 foot wide, 3884.00 foot long easement for a utility and roadway easement to include a 60-foot wide street, a 50-foot wide street, waterlines, power lines, phone lines, and sewer lines.

RELEVANT FACTUAL BACKGROUND:

On November 14, 1996, the Trust Lands Administration received this application for an easement for roads and utilities as indicated above. The application fee has been received and receipted appropriately.

The proposed easement will provide access and utility services to residential development in the area. The roadways and utilities will also cross private and city property.

This item has been submitted to the Resource Development Coordinating Committee (RDCC) and comments were received from the Division of State History and the Utah Geological Survey. State History commented that a survey has been completed which identified four sites near the project

area. They recommend that the sites be considered as part of the planning for the project, and avoided if possible. The applicant is aware of the sites and plans to avoid them with the project. The Utah Geological Survey (UGS) indicated that volcanic rocks and faults may exist in the area and that three high-hazard dams and one low hazard dam exist up-slope of the property. UGS recommended that these hazards be disclosed to the applicant. The applicant has been made aware of the potential hazards. Notification was not sent to the local government entity because local government is the applicant.

A cultural resource survey has been completed on this project which indicated that there are four sites in the area of the project. The applicant intends to avoid these sites with the project therefore no cultural resources will be effected by this proposal. The survey has been reviewed by the Trust Lands Administration archaeologist and State History, who concur with the findings.

EVALUATION OF FACTS:

The proposed easement is not located entirely on trust lands and is within an existing easement corridor. It is for a term of 30 years, and the applicant has paid the fee as determined by the Trust Lands Administration. As far as the staff has been able to determine, there will be no unreasonable adverse effects on the marketability or developability of the subject property.

This item was submitted for review to RDCC and comments were received from the Division of State History and the Utah Geological Survey. These comments were addressed earlier in this document.

Upon recommendation from Mr. Brown, Mr. Carter approved Easement No. 401 for a term of 30 years with the fee being \$3,146.18 plus a \$600.00 application fee. An administrative fee is to be assessed every three years, beginning January 1, 2000. The expiration date is December 31, 2026. This summary constitutes the record of decision.

January 29, 1997 Surface Actions Page S-4

EASEMENT NO. 402 (APPROVAL)

Approve L DT

APPLICANT'S NAME AND ADDRESS:

PacifiCorp dba Utah Power & Light Co. 1407 West North Temple #110 Salt Lake City, Utah 84140

LEGAL DESCRIPTION:

Township 1 South, Range 14 West, SLB&M

Section 16: Within the SW¼ of the SE¼ of Section 16 as more particularly described:

A right of way 10 feet in width, being five (5) feet on each side of the following described survey line: Beginning at a pole in an existing power line on the Grantor's land at a point 1129 feet north and 320 feet east, more or less, from the south one quarter corner of Section 16, T1S, R14W, SLM, thence S 19°46' W 77 feet, more or less, to the south boundary fence of said land, said fence also being the north right of way fence of U.S. Highway No. 89, and being in the SW% of the SE% of said Section 16.

NOTE: Reference maps are located in the easement file.

COUNTY: Tooele ACRES: 0.02 FUND: School

PROPOSED ACTION:

The applicant is requesting an easement for the installation, use, and maintenance of power line guy anchors and the overhang of the power line on a portion of school trust lands.

RELEVANT ACTUAL BACKGROUND:

The proposed guy anchors and connecting power line are within an existing easement corridor of Interstate 80 (I-80). The existing power line to which this extension will connect is located on property no longer owned by the Trust Lands Administration. Only a portion of the additional power line is located on trust land; this portion is the subject property.

The proposed action is exempt from review by the State of Utah Resource Development Coordinating Committee (RDCC). Consultation regarding

cultural resources was also completed. It was determined the proposal is not an undertaking.

EVALUATION OF FACTS:

A summary of the criteria considered in this easement application is as follows:

- 1. The proposed easement is <u>not</u> located entirely on trust land.
- 2. The proposed easement term is for a period of 30 years.
- 3. The applicant has paid the fee as determined by the School and Institutional Trust Lands Administration.
- 4. The proposed easement will not have an unreasonably adverse effect on the developability or marketability of the subject property.

Upon recommendation from Mr. Bagley, Mr. Carter approved Easement No. 402 for a term of 30 years with the charge being \$200.00, plus the \$600.00 application fee. An administrative fee is to be assessed every three years beginning January 1, 1997. The expiration date is December 31, 2026. This summary constitutes the record of decision.

RIGHTS OF ENTRY

TRUST & ASSET UNIT
Approve K DT
Deny

RIGHT OF ENTRY NO. 3996

On January 27, 1997, Mr. Lou Brown, Realty Specialist, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of Glen Ames, Red Rock Bicycle Co., 146 N 300 E., St. George, Utah 84770, to occupy the following described trust land located within Washington County on March 8, 1997, for a Mountain Bike Race.

TOWNSHIP 43 SOUTH, RANGE 15 WEST SLB&M

Section 17

Section 18

Section 19

Section 30

TOWNSHIP 43 SOUTH, RANGE 16 WEST SLB&M

Section 13

Section 24

Section 25

The fee for this right of entry is \$200.00, plus a \$50.00 application fee, totaling \$250.00. School Fund. Washington County.

This item was submitted by Mr. Brown for record-keeping purposes.

RIGHT OF ENTRY NO. 3997 (APPROVAL)

Approve X DT
Deny

Dyno-Nobel Inc., Eleventh Floor Crossroads Tower, Salt Lake City, Utah 84144-0103, has requested permission to temporarily continue using the following trust lands for purposes previously authorized under Special Use Lease No. 265:

Township 6 South, Range 1 West, SLB&M

Section 25: Lots 1-9, including SW4NE4, E4SW4SW4SE4

Section 36: Lots 1-13, including E½SW¼, SE¼

County: <u>Utah</u> Acres: <u>1255.40</u> Fund: School

The subject property has been used for the past 25 years as a buffer zone, and a small portion of the acreage for constructing storage facilities.

This permit shall not allow additional building or disturbance, but only a continuation of existing uses authorized under Special Use Lease No. 265, which expired December 31, 1996. The permit is only a six-month temporary permit, while the applicant is applying for a new long-term lease or purchase.

Charges for this nonexclusive permit includes a \$50.00 application fee, a \$50.00 processing charge, and a rental charge of \$2,805.00, totaling \$2,905.00. \$655.00 was submitted with the application, the remaining \$2,250.00 will be transferred from Special Use Lease Application No. 1078 which is being denied.

Upon the recommendation of Mr. Bagley, the Director approved ROE 3997 as described above, for the six month period of January 1, 1997 through June 30, 1997.

SPECIAL USE LEASE AGREEMENTS

Approve L DT
Deny

SPECIAL USE LEASE APPLICATION NO. 1078 (DENIAL) Deny

Special Use Lease Application No. 1078 was submitted by Dyno-Nobel Inc., Eleventh Floor Crossroads Tower, Salt Lake City, Utah 84144-0103. The application was submitted to lease trust lands which adjoin other trust lands leased by Dyno-Nobel Inc. (formerly IRECO) under Special Use Lease No. 265 (SULA 265). Because SULA 265 had an expiration date of December 31, 1996, the applicant has agreed to let this application be denied and rejected, and to consider reapplying for these lands in conjunction with a new application for trust lands encompassed under SULA 265. The applicant was sent a certified letter on December 10, 1996, detailing the proposed action and giving the applicant an opportunity for consistency review. The applicant has indicated it will not oppose the action.

The applicant previously submitted \$2,500.00 with the application, which included a \$250.00 application fee. Rather than be refunded, the applicant has concurred that \$2,250.00 is to be transferred towards fees and rentals of Right of Entry Permit No. 3997. The remaining \$250.00 application fee shall be allowed as a credit toward a new special use lease application, if filed no later than March 1, 1997; otherwise it will be forfeited.

Upon the recommendation of Mr. Bagley, the Director approved the denial of Special Use Lease No. 1078, with the distribution of monies as described above.

January 29, 1997 Surface Actions Page S-8

Approve C DT
Deny

SPECIAL USE LEASE AGREEMENT NO. 347 (ANNUAL REVIEW)

SULA 347 is leased to Triple C Farms Inc., c/o Jerry Coates, P.O. Box 157, Holden, Utah 84636.

1. ANNUAL RENTAL:

The annual review date for this lease is April 1, 1997. The subject property is used for agricultural crop production. Based upon the Board-approved index, it is recommended that the lease fee be increased from \$4,180.00 per year to \$4,240.00 per year, effective April 1, 1997. A certified notice was sent, informing the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$4,240.00 divided by the Acres in lease: 480.00 ac = \$8.83 per acre.

2. DUE DILIGENCE:

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. PROPER USE:

The leased premises are being used in accordance with the lease agreement.

4. ADEQUATE INSURANCE AND BOND COVERAGE:

Neither insurance coverage nor a bond are presently required.

5. ESTABLISHMENT OF WATER RIGHTS:

There are no water rights associated with this lease.

6. POLLUTION AND SANITATION REGULATIONS:

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. NEXT ASSESSMENT DATE:

The next assessment date will be on April 1, 1998.

Upon recommendation from Mr. Williams, the Director approved the annual review for SULA 347.



SPECIAL USE LEASE AGREEMENT 884 (THREE-YEAR REVIEW)

SULA 884 is leased to Green River City, P.O. Box 620, Green River, Utah 84525.

1. ANNUAL RENTAL:

The three-year review date for this lease is March 1, 1997. The subject property is used for an industrial development. Based upon the Board-approved index, it is recommended that the lease fee be increased from \$2,640.00 per year to \$2,930.00 per year, effective January 1, 1997. A certified notice was sent, informing the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$2,930.00 divided by the Acres in lease: 30.00 ac = \$97.67 per acre.

2. DUE DILIGENCE:

The development allowed by the lease has not yet occurred. The projected timetable for development is within the next two years. It is recommended that the lease be kept in full force.

3. PROPER USE:

The leased premises are being used in accordance with the lease agreement.

4. ADEQUATE INSURANCE AND BOND COVERAGE:

A bond is not currently posted with the Trust Lands Administration. However, the language in the lease allows the Trust Lands Administration to require a bond at any time during the term of the lease.

5. ESTABLISHMENT OF WATER RIGHTS:

There are no water rights associated with this lease.

6. POLLUTION AND SANITATION REGULATIONS:

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. NEXT ASSESSMENT DATE:

The next assessment date will be on January 2, 2000.

Upon recommendation from Mr. Brown, the Director approved the three-year review for SULA 884.

MATERIALS PERMITS

MATERIALS PERMIT NO. 176

Approve C DT

Deny

APPLICANT'S NAME AND ADDRESS:

Key Construction P.O. Box 164 Moab, Ut 84532

LEGAL DESCRIPTION:

Township 27 South, Range 23 East SLB&M

Section 7: SW4SW4NW4

Township 27 South, Range 22 East SLB&M

Section 12: S2SE4NEW4, N2NE4SE4

COUNTY: SAN JUAN ACRES: 50.00 FUND: SCHOOL

PROPOSED ACTION:

The applicant is requesting a materials permit for ordinary sand & gravel for a five-year term at a location which is designated for extraction of sand & gravel.

RELEVANT FACTUAL BACKGROUND:

The applicant is requesting the Trust Lands Administration approve Materials Permit No. 176. The application was filed on October 8, 1996. This land has been designated for sand and gravel extraction. There are

existing materials permits in this area.

The application is exempt from RDCC because it has already been reviewed as part of the predesignation process.

EVALUATION OF FACTS:

An evaluation pursuant to the Administrative Policy on Records of Decision indicates:

CONDITIONAL EXCLUSION 5

- a. The subject property has been previously used and designated as a material permit site.
- b. The subject property was advertised for competing applications and no competing applications were received.
- C. EXCLUSIONS FROM THE NARRATIVE PROCESS: Section C number 14 of the Administrative Policy on Records of Decision, revised April 5, 1995, indicates that the issuance of material permits may be exempt from the full narrative ROD process if the Director finds that the action is not substantive, does not warrant the time and expense necessary complete a full narrative ROD, or if the action will not restrict an interested party access to an appeal process. There are no other interested parties.

R850-130-200 states that the Trust Lands Administration may issue sand and gravel permits or may convey profits a prendre or similar interests on all School Trust Lands when the Trust Lands Administration deems it consistent with land use plans and trust responsibilities. As this area is currently designated for the removal of sand and gravel, it is consistent with current land uses and Trust Lands Administration plans for this area. The bid offered by the applicant will return significant revenues over the next five years to the beneficiary and is consistent with the trust responsibilities for revenue generation.

Pursuant to R850-130-1000, a plan of operation shall be required of the operator/permittee prior to commencement of operations. The plan shall provide for proper reclamation and shall be reviewed by the Trust Lands Administration for acceptance. Upon written approval and acceptance the Administration, operations may commence.

The applicant has offered the standard annual land rental of

January 29, 1997 Surface Actions Page S-12

\$10.00/acres for the first year. They also propose a 20,000 cu/yds. per year, minimum extraction amount annually.

Based on the bid amounts and royalty rates all requirements of R850-130-300 have been met.

Upon recommendation from Mr. Brown, the Director approved Materials Permit No. 176 for a term of five years, with an annual charge of \$500.00/yr. and annual royalty payments based on a minimum extraction amount of 20,000 cubic yards at \$.45/yard. This summary constitutes the record of decision.

Deny____

PREDESIGNATIONS: Designations of Development Properties

The following lands have been designated development properties pursuant to R850-140:

PRED	LEGAL DESCRIPTION: Township 2 South, Range 3 East Section 2: All LOCATION: Wolf Mountain, Summit County FUND: School	TRUST LANDS ADMINISTRATION Approve DE DT Deny
PRED	455 LEGAL DESCRIPTION: Township 2 South, Range 4 East Section 36: All, except NW¼NW¼, W½SW¼ and described in Patent #18849 Township 3 South, Range 4 East	
	Section 2: All Trust Lands within section LOCATION: Jordanelle Reservoir, Wasatch Count FUND: School ACRES: 1096.37, more or less DATE DESIGNATED: 01/24/97 REASSESSMENT DATE: 01/24/01	TRUST LANDS ADMINISTRATION Approve
<u>PRED</u>	456 LEGAL DESCRIPTION: Township 2 South, Range 4 East Section 7: Lots 17, 18, 19, 20, 22, 23, Section 18: Lots 1, 2, 3, 4, 9, 17, 18,	
	LOCATION: White Pine, Summit County FUND: School ACRES: 505.31, more or less DATE DESIGNATED: 01/28/97 REASSESSMENT DATE: 01/28/01	TRUST LANDS ADMINISTRATION Approve DT
PRED	LEGAL DESCRIPTION: Township 23 South, Range 3 West Section 24: All trust lands within SW\setion LOCATION: Richfield North, Sevier County FUND: School ACRES: 15.28, more or less DATE DESIGNATED: 01/24/97	TRUST LANDS ADMINISTRATION
	REASSESSMENT DATE: 01/24/01	Approve of Mar DT

PRED				
	LEGAL DESCRIPTION:			
	Township 43 South, Range 14 West	TOUCTIANDO		
	Section 16: All	TRUST LANDS		
	LOCATION: Warner Valley, Washington Coun	ty ADMINISTRATION		
	FUND: School	Approve OK Muly DT		
		ApproveDF DY		
	ACRES: 640, more or less	Deny		
	DATE DESIGNATED: 01/24/97	Delly		
	REASSESSMENT DATE: 01/24/97			
PRED	459			
	LEGAL DESCRIPTION:			
	Township 41 South, Range 17 West			
	Section 25: E\SW\\			
	Section 36: NE¼, E½SE¼, W½SW¼, NE¼SW¼	TRUST LANDS		
	LOCATION: Kayenta, Washington County	ADMINISTRATION		
	FUND: School			
		Approve of BT		
	ACRES: 320, more or less	Deny		
	DATE DESIGNATED: 01/24/97	Derry		
	REASSESSMENT DATE: 01/24/01			
PRED				
	LEGAL DESCRIPTION:			
	Township 42 South, Range 16 West			
	Section 3: While, NWhiseh, SEASEH	TRUST LANDS		
	Section 10: NEWNEW			
	LOCATION: Entrada, Washington County	ADMINISTRATION		
	FUND: Miner's Hospital	Approved DT		
	ACRES: 200, more or less	Approvent		
	DATE DESIGNATED: 01/24/97	Deny		
		to the year		
	REASSESSMENT DATE: 01/24/01			
PRED				
	LEGAL DESCRIPTION:			
	Township 41 South, Range 16 West			
	Section 32: Nt, NE4SW4 except lands	contained in Patent		
	#18687 (5 acres)			
	LOCATION: Ivins Dike, Washington County	TRUST LANDS		
	FUND: School	ADMINISTRATION		
	ACRES: 115, more or less	(3) (1)		
	DATE DESIGNATED: 01/24/97	Approve No DT		
	REASSESSMENT DATE: 01/24/01	Deny		
		DGH <u>y</u>		
The a	shove listed properties have been designate	ted development		
The above listed properties have been designated development properties for the reasons stated in the Director's Findings made				
pursuant to R850-140 and maintained in the public log.				

Upon recommendation of Mr. McBrier, the Director approved the designation as development property of the above listed lands.

January 29, 1997 Accounting Actions Page A-1

INTEREST RATE

Base Rate

ACCCURTING UNIT

CURRENT YEAR YEAR AGO

8.25%

8.50%